

BENJAMIN J. CAYETANO
GOVERNOR



DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION

JAN 15 1 22 PM '02

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**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

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JAN 11 2002

COMPTROLLER'S MEMORANDUM NO. 2002-05

TO: Heads of Departments
ATTN: Fiscal Offices
SUBJECT: Federal Per Diem Rates (CONUS)

In Revenue Procedure 2001-47, the Internal Revenue Service has superceded the federal per diem rates established by Revenue Procedure 2000-39 for travel within the continental United States (CONUS). These standard rates affect the computation of the taxable portion of per diem allowances paid to State of Hawaii officers and employees. The information in this memorandum therefore needs to be forwarded to the offices in your department responsible for the computation and reporting of the taxable portion of per diem allowances for payroll tax withholding purposes.

The following rates are to be used for computing, under the high-low substantiation method, the taxable portion of per diem for CONUS travel expenses paid or incurred on or after January 1, 2002.

	High-Cost <u>Locality</u>	Low-Cost <u>Locality</u>
Lodging	\$162	\$ 91
Meals and Incidental Expenses	<u>42</u>	<u>34</u>
Total federal rates	<u>\$204</u>	<u>\$125</u>

Revenue Procedure 2001-47 has also made some changes in the locations identified in the high-cost category. Attached is an updated listing of the high-cost localities; all other CONUS localities are considered low-cost localities under the high-low substantiation method.

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State Comptroller

Attachment

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section 5 for travel within CONUS, the amount of the expenses that is deemed substantiated for each calendar day is equal to the lesser of the *per diem* allowance for such day or the amount computed at the rate set forth in section 5.02 of this revenue procedure for the locality of travel for such day (or partial day, see section 6.04 of this revenue procedure). Except as provided in section 5.06 of this revenue procedure, this high-low substantiation method may be used in lieu of the *per diem* substantiation method provided in section 4.01 of this revenue procedure, but may not be used in lieu of the meals

only substantiation method provided in section 4.02 or 4.03 of this revenue procedure.

.02 *Specific high-low rates.* Except as provided in section 5.06 of this revenue procedure, the *per diem* rate set forth in this section 5.02 is \$204 for travel to any "high-cost locality" specified in section 5.03 of this revenue procedure, or \$125 for travel to any other locality within CONUS. Whichever *per diem* rate applies, it is applied as if it were the federal *per diem* rate for the locality of travel. For purposes of applying the high-low substantiation method and the § 274(n)

limitation on meal expenses (see section 6.05 of this revenue procedure), the federal M&IE rate shall be treated as \$42 for a high-cost locality and \$34 for any other locality within CONUS.

.03 *High-cost localities.* The following localities have a federal *per diem* rate of \$165 or more, and are high-cost localities for all of the calendar year or the portion of the calendar year specified in parenthesis under the key city name, except as provided in section 5.06 of this revenue procedure:

Key city	County or other defined location
California	
Napa (April 1-November 15)	Napa
Palm Springs (January 1-May 31)	Riverside
San Francisco	San Francisco
San Mateo/Redwood City	San Mateo
Sunnyvale/Palo Alto/San Jose	Santa Clara
Tahoe City	Placer
Colorado	
Aspen (January 1-April 30)	Pitkin
Silverthorne/Keystone	Summit
Telluride (December 20-September 30)	San Miguel
Vail (December 1-March 31)	Eagle
District of Columbia	
Washington, D.C.	Washington, D.C.; the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax, and Loudoun, in Virginia; and the counties of Montgomery and Prince George's in Maryland
Florida	
Key West (January 1-April 30)	Monroe
Palm Beach (January 1-April 30)	Cities of Boca Raton, Delray Beach, Jupiter, Palm Beach Gardens, Palm Beach Shores, Singer Island, and West Palm Beach
Idaho	
Sun Valley	City limits of Sun Valley
Illinois	
Chicago	Cook and Lake
Louisiana	
New Orleans/St. Bernard (January 1-May 31)	Orleans, St. Bernard, Plaquemine, and Jefferson Parishes
Maine	
Kennebunk/Kittery/Sanford (June 15-October 31)	York

<i>Key city</i>	<i>County or other defined location</i>
Maryland (For the counties of Montgomery and Prince George's, see District of Columbia)	
Ocean City (June 15-October 31)	Worcester
Massachusetts	
Boston	Suffolk
Cambridge	Middlesex County (except Lowell)
Martha's Vineyard (June 1-October 15)	Dukes
Nantucket (June 15-October 15)	Nantucket
Michigan	
Mackinac Island	Mackinac
Traverse City	Grand Traverse
Montana	
Big Sky	Gallatin (except West Yellowstone Park)
Nevada	
Stateline	Douglas
New Jersey	
Atlantic City (June 1-November 30)	Atlantic
Cape May (June 1-November 30)	Cape May (except Ocean City)
Edison	Middlesex (except Piscataway)
Newark	Essex, Bergen, Hudson and Passaic
Ocean City (June 15-September 15)	City limits of Ocean City
Piscataway/Belle Mead	Somerset; and City limits of Piscataway
Princeton/Trenton	Mercer County
New York	
The Bronx/Brooklyn/Queens	The boroughs of The Bronx, Brooklyn, and Queens
Manhattan	Manhattan
Nassau County/Great Neck	Nassau County
Suffolk County	Suffolk County
White Plains	City limits of White Plains
Pennsylvania	
Hershey (June 1-September 15)	City limits of Hershey
Utah	
Ogden/Layton/Davis County (January 1-February 28)	Weber and Davis
Park City (December 15-March 31)	Summit
Provo (January 15-February 28)	Utah
Salt Lake City (January 15-February 28)	Salt Lake, Dugway Proving Ground, and Tooele Army Depot
Virginia	
(For the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax, and Loudoun, see District of Columbia)	
Wintergreen	Nelson